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HELPS

Help
Eliminate
Legal
Problems
for
Seniors
and
Disabled

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Finding Peace

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Karma

An entertaining TV series came out few years ago called "My Name is Earl". The premise of the show was that the protagonist, Earl, had bad luck; which he believed was karma for the bad things he had done. The show followed his attempts to regain good karma by righting a list of past wrongs.

The idea of karma is "do good things and good things will happen to you". We encourage our **HELPS** clients to do good things and one thing we can do is share what **HELPS** can do for others. There are so many seniors who unnecessarily suffer from collector harassment or go without food or medicine to pay debt they can't afford.

The most common thing we hear from new **HELPS** clients is "**HELPS** brought peace back into my life". We love hearing that and you can be part of it. We encourage our **HELPS** clients to share **HELPS** with others and we have materials to help: folders, posters, newsletters, and even a DVD presentation entitled "*Helping Lower Income Seniors Maintain Financial Independence*". All of this is available to you just by asking.

We encourage you to share how **HELPS** Nonprofit Law Firm has helped you by sharing **HELPS** literature with others including senior centers, senior parks, fliers or newsletters and to friends or relatives that might benefit from knowing about **HELPS**. All of these materials are available from our offices, just call 1-855-435-7787 toll free and we would be happy to send them to you.

We can all use a little good karma. Help build yours by sharing with others how **HELPS** can help.

By Eric Olsen ~ **HELPS** President / Attorney

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Photo credit / Ron McHaffie

I Was Just Served with a Lawsuit... What Do I Do Now?

By Eric Olsen ~ *HELPS President / Attorney*

On occasion, **HELPS** clients will get served with a lawsuit. This is not uncommon and you didn't break the law! It's just an attempt to collect a debt.

A creditor to whom you owe money always has the right to file a lawsuit and sue you for the money that's owed. Normally, they don't bother with clients of **HELPS** because the income, Social Security and pension, is protected under federal law. Even so, it does still happen occasionally. You should accept any papers that are given to you and be polite to the person who serves you; this is not the time for an argument. Sometimes a sheriff's deputy serves papers at your door. Every sheriff's office has a deputy who handles "civil" matters. This is **NOT** a criminal matter; **you have not broken any law.**

Call **HELPS** toll free at 1-855-435-7787 for reassurance. Mail, fax, or email a copy of the summons and complaint to us. We will send the attorney or company who filed the lawsuit a letter showing your income as exempt and protected under federal law. Remember that **HELPS** does not represent persons in court. We advise the attorney who is suing you that your income is protected and that they may not touch your bank account (and they won't). *You do not need to appear in court or file a response to the Summons or Complaint.*

They will obtain a default judgment. I often explain to **HELPS** clients that this judgment is not even worth the piece of paper it is printed on. Why? Because you have nothing that they can collect.

If you don't owe the debt, you can dispute it by responding to the summons and complaint. You can do it yourself if it is a small claims lawsuit, otherwise it gets more complicated.

Remember - even if you think you don't owe the money, your income is protected and as long as that's the case you won't have to pay it.

If you later get a court document called a "debtor's exam", which has a specific date and time that you are to appear in court, you will want to let us know right away. That's an order from a judge giving the creditor an opportunity to learn about your income and assets after a judgment is obtained. You may need to attend that, however in almost every case **HELPS** is able to get the attorney to agree to not conduct the "exam" since they won't profit off you.

In summary, it's natural to be upset if you happen to get sued, but in the end there is nothing to worry about. If you have more questions or need further information on this, please feel free to call and we can help walk you through it.

What is *HELPS*?

***Are you being harassed by collectors for debts you cannot pay?
Is your income Social Security, retirement, veteran benefits, or disability?
Did you realize that this income is protected by federal law?***

Under federal law when you are represented by an attorney, collectors may no longer contact you by phone or mail. When you enroll with **HELPS** Nonprofit Law Firm, we send letters to your collectors advising them that we represent you for purpose of communication. The calls stop! Peace returns to your life. Visit our website www.helpshere.org and listen to actual **HELPS** clients explain how HELPS changed their lives.

HELPS assists you in dealing with collectors you cannot pay - such as: credit cards, medical bills, signature loans, old judgments, and other debt. If you own a car or home that you intend to keep, you continue to pay the lender as agreed.

HELPS does not negotiate with creditors, **HELPS** does not file bankruptcy.

If you have questions or want to enroll call us toll free at 1-855-435-7787; we are always available to answer your questions. When you decide to enroll we will need to know the name of your creditor(s), their mailing address and the account number(s). You will be asked a few brief questions to confirm that you qualify for **HELPS**. If you prefer, you may request an enrollment form and return it to us by mail or over the internet. When you enroll we will write your creditors and demand that their contact with you stop immediately. This very day you can have an attorney to refer your collectors! No more calls and letters!

HELPS is very affordable and is based on your household income.

FEE GUIDELINES

We never turn down a qualified senior.

| Household monthly income | One time enrollment fee | Monthly maintenance fee |
|--------------------------|-------------------------|-------------------------|
| \$750 or less | \$0 | \$10 |
| \$750 to \$1,250 | \$125* | \$20 |
| \$1,250 or more | \$250* | \$20 |

*If needed, payment arrangements can be made for the enrollment fee.
We are here to share the burden and help bring peace back to your life.

HELP! I Can't Afford My House Payment

By Eric Olsen ~ *HELPS President / Attorney*

What do I do if I can't afford my house payment?

It is common for seniors to find themselves unable to afford their house payments. This usually occurs during a period of instability, maybe when a spouse passes away or a source of income is lost.

If your home is worth more than what is owed, one option is to sell it. You can find the value by calling a realtor and getting a market analysis of what your home would sell for as-is, without any improvements. If you would come away with some money after the realtor's commission, then it might be a good option to list your home for sale. *You can even stop making payments if necessary or if there is questionable equity while it's up for sale.*

Where it gets a little tricky is when there is little or no equity in the home. This means you can't sell it for enough to pay off the loan and cover the costs of selling it. In that situation you can stop making the payment (remember: you can't afford the payments and there's no equity) and live in the home while it goes through the foreclosure process. At **HELPS** we have had seniors living in homes without making a payment for one, two and sometimes three or more years. You don't have to move when you stop making payments. Truth be told, the banks want you to stay in the home; it's safer and worth more to them occupied during this period. The mortgage contract allows you to stay so there's nothing wrong with this choice, it gives you time to save money for a future move and it increases the notice you will receive on when you'll have to leave.

Then you ask: will I owe money to the bank when the home is foreclosed? What about taxes?

The question of whether you will owe money on the mortgage depends on which state you live in,

but no matter what your Social Security and pension is protected from collectors. That remaining mortgage, if there is any, simply gets added to your list of creditors and they can't collect. In most instances there's never even an attempt at collection. It's doubtful that you would owe taxes because of a foreclosure. **HELPS** clients are generally classified as "insolvent" with the IRS so there are no taxes. If taxes were owed, the client can be placed on a non-collectable status with the IRS. **HELPS** assists its clients in obtaining this status every day; we see a lot of seniors worry about these problems unnecessarily. Our motto at **HELPS** is "sharing the burden" so please call if you are worried and we can go over this.



Letters from *HELPS* Clients



"HELPS has taken such a load off our shoulders, as we attempt to pay all our recent medical bills. We are no longer being harassed, which helps my husband's progress."

-RG

"I could not believe an organization was willing to HELP seniors and disabled persons who are in a chaotic situation. Thank god for HELPS."

-CB

"The work of HELPS in assisting seniors is so wonderful, I cannot begin to express my gratitude for the reduction in fear, stress and worry it provides me with, and I particularly am thankful for Eric's personal interest in assisting clients."

-RR

"Thank you HELPS, I was at a place in my life I never thought I would experience. I was always independent and financially careful. Suddenly my phone was ringing all day and night with nasty little reminders and when I called my creditors for help, they said they couldn't help me. I couldn't sleep, was teary all the time and felt like a bad person. It wasn't my fault my private pension was no longer in business, it was half my retirement. HELPS is always available to answer any problems and to help in any way."

-PG

*We would love to hear your story about how **HELPS** has changed your life.*

Please send your story to:

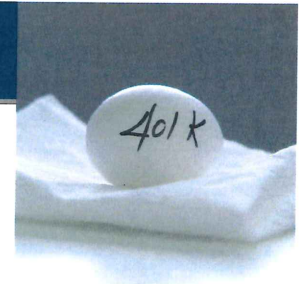
HELPS Nonprofit Law Firm

PO Box 12647, Salem, OR 97309.

These stories may be printed in future issues of "Finding Peace."

Don't Blow Your 401(k)!

By Duane Matthews ~ *HELPS Director*



One of the saddest conversations we have with potential **HELPS** clients is when they have come to us *after exhausting all of their savings, including their accumulated retirement funds.*

It is understandable why this occurs; there is a great desire on the part of nearly everyone to pay for obligations they have incurred. Pulling money from retirement funds is very tempting when there isn't enough money coming in from other sources to pay the bills. Most people do not understand that this money is protected from creditors under federal law.

Usually, when someone is behind on bills, they will get a friendly (or not so friendly) phone call reminding them that a payment is overdue. Collectors become more insistent as time goes by, usually suggesting ways that you might have available to make payment. They will never tell you that Social Security, pensions, and many other types of retirement accounts are totally exempt from creditor attachment. This means that the creditors can never lawfully get their hands on the money you need for immediate living expenses.

If you find yourself in a situation that seems hopeless and it doesn't seem possible to pay creditors or collectors and still leave enough for food, shelter, medicine and other basic needs, please consult with the staff at **HELPS** before you consider spending your retirement money for unsecured debt that you will never be able to pay.

Creditors may threaten all sorts of actions, including lawsuits - *but remember*, as long as your income is from Social Security and approved retirement plans (income up to \$218 per week from part time jobs is exempt as well), the income is yours and no creditor may take it from you without your consent.

The only exception to the above rule is if you owe money to the federal government. If you are living on retirement income and are now being garnished by the IRS or suspect that you will be soon, please contact **HELPS** immediately. We have experienced good success in having many of these garnishments lifted and our clients have been put in non-collectable status. We can also help if you are being garnished for old student loan debt.

There is never a charge to call and discuss your situation with the staff at **HELPS** Nonprofit Law Firm. If you need additional help, our attorneys will be glad to answer your questions.

Tenant Rights in Foreclosure

By Eric Olsen ~ HELPS President / Attorney

What are your rights when the home you are renting is being foreclosed on?

You will normally find out that the home you are living in is being foreclosed when you receive a *Notice of Foreclosure*, which can be mailed to your address and taped to your front door. It may not be in your own name; instead you may be listed as John Doe, tenant, etc. Fortunately, a federal law, *Protecting Tenants in Foreclosure Act*, was passed in 2009. This law gives you specific rights as a renter of a home that is being foreclosed upon. The first thing you might want to do is contact your landlord and ask what their intentions are on the property so you know what your options are.

If the landlord is not going to be paying the mortgage, you can consider your lease or tenancy terminated and move. Some tenants choose to stay in the home for an extended period while it's going through foreclosure without paying rent. We don't normally see landlords who are going through foreclosure attempt to evict tenants who don't pay rent. It is possible, but they usually don't. You might be able to stay in the home for a year or longer. Once the foreclosure has taken place, the 2009 law provides that the new owner - almost always the bank - must give you as the tenant, a 90 day notice to vacate. The law also provides that you can keep your lease if you want to stay to its completion.

There is a lot of misinformation given by realtors and banks to tenants in these types of situations. The bottom line is if the home you are renting is being foreclosed on, you don't have to move immediately. You could live there for an extended period without making a payment, allowing you to save for an eventual move. If you are a **HELPS** client in this situation and have more questions, please contact us. If necessary, we can put you in contact with a pro bono (free) attorney in your area to help.

